

Enforcement and Compliance Track

Innovative Approaches to Compliance Assistance Workshop

EPA-New England Chemical Industry Audit Project

THE PROBLEM:

New England firms in chemical manufacturing and preparation were frequently not in compliance with regulations in state and federal inspections. This industry was making little use of the agency's Audit and Small Business Policies which encourage self-auditing and disclosure.

INNOVATIVE SOLUTION:

EPA-New England developed the Chemical Industry Audit Project to strategically integrate initial compliance assistance and marketing of the Audit and Small Business Policies, followed by enforcement through inspections. Facilities in Standard Industrial Classification (SIC) Codes 2869 (Organic Chemical Manufacturing) and 2899 (Chemical Preparation) in Connecticut, Massachusetts, and Rhode Island were notified by letter in February 1998 that EPA and cooperating states would begin inspections in this sector in October 1998. Facilities were offered assistance by workshops and mailings between February and October 1998. They were encouraged to conduct environmental audits of their operations and to disclose violations through EPA's "**Audit Policy**" and **Small Business Policy**. The key goals of the project were:

- to encourage firms in the sector to conduct compliance audits and change their operations
- to increase awareness of the Audit and Small Business Policies and encourage their use
- to improve the regulatory compliance of firms in the sector.

The project was evaluated by a mail survey (19% response was achieved), workshop evaluations, and assessment of the enforcement outcome of EPA and state inspections before and after the project.

RESULTS:

- A cooperative relationship was achieved with the participating states.
- Evidence from the survey indicates many firms (63% of respondents) conducted audits; 29% implemented pollution prevention. The key project goal was hence met. Survey results showed increased understanding of the Audit and Small Business Policies. The project reduced the frequency of major EPA and state enforcement actions. For EPA RCRA inspections, the percentage of major enforcement actions declined from 73% before the project to 15% after. EPA Federal Programs had 29% major enforcement before and 14% after.
- The project was successful in gaining the active support and participation of a considerable segment of the sector because of the active effort to communicate with the sector and the states. A key outcome was the survey finding that 96% of respondents indicated that EPA should conduct more projects in which technical assistance is conducted in advance of inspections. One survey respondent captured perfectly what we were trying to do in the following statement: "This sort of approach gives people a feeling of moral obligation to comply. The typical heavy-handed approach seems to justify evasion. When the government is reasonable and helpful, one feels a civilized obligation to cooperate."

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